

ORIGINAL



0000074543

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

50

2007 JUL -9 P 4: 07

AZ CORP COMMISSION  
DOCKET CONTROL

MIKE GLEASON  
Chairman  
WILLIAM A. MUNDELL  
Commissioner  
JEFF HATCH-MILLER  
Commissioner  
KRISTIN K. MAYES  
Commissioner  
GARY PIERCE  
Commissioner

Arizona Corporation Commission  
DOCKETED

JUL -9 2007

DOCKETED BY *nr*

IN THE MATTER OF THE JOINT  
APPLICATION OF TIME WARNER  
TELECOM OF ARIZONA LLC,  
XSPEDIUS MANAGEMENT CO.  
SWITCHED SERVICES, LLC AND  
XSPEDIUS MANAGEMENT CO. OF  
PIMA COUNTY, LLC FOR  
APPROVAL TO ENCUMBER ASSETS  
IN CONNECTION WITH NEW  
FINANCING

DOCKET NO. T-03943A-06-0691  
T-04112A-06-0691  
T-04113A-06-0691

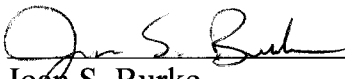
TIME WARNER TELECOM  
OF ARIZONA LLC  
NOTICE OF  
COMPLIANCE FILING

Time Warner Telecom of Arizona LLC, Xspedius Management Co. Switched Services, LLC and Xspedius Management Co. of Pima County, LLC, hereby file the attached loan closing and security documents (partial copies) as recommended by Staff in paragraph 17 of Decision No. 69392. Due to the voluminous nature of these documents, a full set of the loan documents will be provided separately to the Arizona Corporation Commission Staff and Counsel, and will be provided to any other Commissioner or Commission Staff member upon request.

///

RESPECTFULLY SUBMITTED this 9<sup>th</sup> day of July 2007.

**TIME WARNER TELECOM OF  
ARIZONA LLC**

By   
Joan S. Burke  
Osborn Maledon, P.A.  
2929 North Central Avenue, Suite 2100  
Phoenix, AZ 85012  
Tel: (602) 640-9356  
Fax: (602) 640-6074  
jburke@omlaw.com

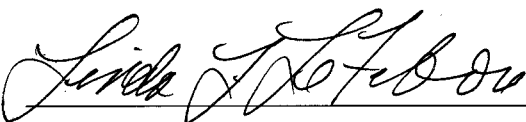
ORIGINAL + 17 copies filed this  
9<sup>th</sup> day of July 2007:

Docket Control  
ARIZONA CORPORATION COMMISSION  
1200 West Washington  
Phoenix, AZ 85007

COPY (with all financial documents attached)  
hand-delivered this  
9th day of July 2007:

Maureen Scott  
ARIZONA CORPORATION COMMISSION  
1200 West Washington  
Phoenix, AZ 85007

Alexander Igwe  
Utility Analyst  
ARIZONA CORPORATION COMMISSION  
1200 West Washington  
Phoenix, AZ 85007





\$700,000,000

CREDIT AGREEMENT

among

TIME WARNER TELECOM INC.,

TIME WARNER TELECOM HOLDINGS INC.,  
*as Borrower,*

The Several Lenders from Time to Time Party Hereto,  
*as Lenders,*

WACHOVIA BANK, NATIONAL ASSOCIATION,  
*as Administrative Agent and Collateral Agent,*

LEHMAN COMMERCIAL PAPER INC.,  
*as Syndication Agent,*

BANK OF AMERICA, N.A.,  
*as Documentation Agent,*

Dated as of October 6, 2006

WACHOVIA CAPITAL MARKETS, LLC,  
*as Sole Lead Arranger and Joint Bookrunner,*

LEHMAN BROTHERS INC.,  
*as Joint Bookrunner*

## TABLE OF CONTENTS

	Page
SECTION 1. DEFINITIONS .....	1
1.1. Defined Terms .....	1
1.2. Other Definitional Provisions .....	25
SECTION 2. AMOUNT AND TERMS OF COMMITMENTS .....	26
2.1. Revolving Commitments; Additional Commitments; Incremental Facilities .....	26
2.2. Procedure for Revolving Loan Borrowing .....	27
2.3. Repayment of Revolving Loans .....	28
2.4. Term Loan B Commitments .....	28
2.5. Repayment of Term Loan B Loans .....	28
2.6. Procedure for Term Loan B Loan Borrowing .....	28
2.7. Swingline Commitment .....	28
2.8. Procedure for Swingline Borrowing; Refunding of Swingline Loans .....	29
2.9. Commitment Fees, etc. ....	30
2.10. Optional Termination or Reduction of Commitments .....	30
2.11. Optional Prepayments .....	31
2.12. Mandatory Prepayments .....	31
2.13. Conversion and Continuation Options .....	32
2.14. Limitations on Eurodollar Loans .....	33
2.15. Interest Rates and Payment Dates .....	33
2.16. Computation of Interest and Fees .....	33
2.17. Inability to Determine Interest Rate .....	33
2.18. Pro Rata Treatment and Payments .....	34
2.19. Requirements of Law .....	36
2.20. Taxes .....	37
2.21. Indemnity .....	39
2.22. Change of Lending Office .....	39
2.23. Replacement of Lenders .....	39
2.24. Revolving Change of Control .....	40
2.25. Term Loan B Change of Control .....	40
SECTION 3. LETTERS OF CREDIT .....	41
3.1. L/C Commitment .....	41
3.2. Procedure for Issuance of Letter of Credit .....	41
3.3. Fees and Other Charges .....	42
3.4. L/C Participations .....	42
3.5. Reimbursement Obligation of the Borrower .....	43
3.6. Obligations Absolute .....	43
3.7. Letter of Credit Payments .....	43
3.8. Applications .....	44
SECTION 4. REPRESENTATIONS AND WARRANTIES .....	44

4.1.	Financial Condition .....	44
4.2.	No Change .....	44
4.3.	Existence; Compliance with Law .....	44
4.4.	Power; Authorization; Enforceable Obligations.....	45
4.5.	No Legal Bar .....	45
4.6.	Litigation .....	45
4.7.	No Default .....	45
4.8.	Ownership of Property; Liens .....	46
4.9.	Intellectual Property .....	46
4.10.	Taxes .....	46
4.11.	Federal Regulations.....	46
4.12.	Labor Matters .....	46
4.13.	ERISA .....	47
4.14.	Investment Company Act; Other Regulations.....	47
4.15.	Subsidiaries .....	47
4.16.	Use of Proceeds.....	47
4.17.	Environmental Matters .....	47
4.18.	Accuracy of Information, etc.....	48
4.19.	Security Documents .....	48
4.20.	Solvency .....	49
4.21.	Priority Lien Debt.....	49
4.22.	Financial Condition .....	49
4.23.	No Change .....	50
4.24.	Existence; Compliance with Law .....	50
4.25.	Power; Authorization; Enforceable Obligations.....	50
4.26.	No Legal Bar .....	50
4.27.	Litigation .....	51
4.28.	No Default .....	51
4.29.	Ownership of Property; Liens .....	51
4.30.	Intellectual Property .....	51
4.31.	Taxes .....	51
4.32.	Federal Regulations.....	51
4.33.	Labor Matters .....	52
4.34.	ERISA .....	52
4.35.	Investment Company Act; Other Regulations.....	52
4.36.	Subsidiaries .....	52
4.37.	Use of Proceeds.....	52
4.38.	Environmental Matters .....	53
4.39.	Accuracy of Information, etc.....	53
4.40.	Security Documents .....	54
4.41.	Solvency .....	54
4.42.	Priority Lien Debt.....	54
SECTION 5.	CONDITIONS PRECEDENT.....	54
5.1.	Conditions to Effectiveness.....	54
5.2.	Additional Conditions to the Initial Extension of Credit.....	56
5.3.	Conditions to Each Extension of Credit Under the Revolving Facility.....	56
5.4.	Conditions to Term Loan B Loans .....	57
SECTION 6.	AFFIRMATIVE REVOLVING COVENANTS .....	57

6.1.	Financial Statements.....	58
6.2.	Certificates; Other Information .....	58
6.3.	Payment of Obligations.....	59
6.4.	Maintenance of Existence; Compliance .....	60
6.5.	Maintenance of Property; Insurance.....	60
6.6.	Inspection of Property; Books and Records; Discussions .....	60
6.7.	Notices.....	60
6.8.	Environmental Laws.....	61
SECTION 7. NEGATIVE REVOLVING COVENANTS.....		61
7.1.	Financial Condition Covenants .....	61
7.2.	Indebtedness .....	62
7.3.	Liens .....	65
7.4.	Fundamental Changes .....	66
7.5.	Disposition of Property .....	67
7.6.	Restricted Payments .....	68
7.7.	Capital Expenditures .....	69
7.8.	Investments.....	69
7.9.	Optional Payments, Refinancings and Modifications of Certain Debt Instruments .....	70
7.10.	Transactions with Affiliates .....	71
7.11.	Sales and Leasebacks .....	71
7.12.	Changes in Fiscal Periods.....	71
7.13.	Negative Pledge Clauses .....	71
7.14.	Clauses Restricting Subsidiary Distributions .....	72
7.15.	Lines of Business; Holding Company Status .....	72
7.16.	Modifications to Time Warner Arrangements and Material Rights and Privileges.....	72
SECTION 8. REVOLVING EVENTS OF DEFAULT .....		73
SECTION 9. TERM LOAN B LOAN COVENANTS .....		75
9.1.	Defined Terms.....	76
9.2.	Limitation on Indebtedness .....	76
9.3.	Limitation on Restricted Payments .....	79
9.4.	Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries.....	82
9.5.	Limitation on the Issuance and Sale of Capital Stock of Restricted Subsidiaries .....	84
9.6.	Limitation on Issuances of Guarantees by Restricted Subsidiaries .....	84
9.7.	Limitation on Transactions with Stockholders and Affiliates .....	85
9.8.	Limitation on Liens .....	85
9.9.	Limitation on Sale-Leaseback Transactions.....	86
9.10.	Limitation on Asset Sales.....	86
9.11.	Existence .....	86
9.12.	Payment of Taxes and Other Claims .....	87
9.13.	Maintenance of Properties and Insurance.....	87
9.14.	Notice of Defaults .....	87
9.15.	Financial Statements.....	87
9.16.	Certificates .....	88

9.17.	Waiver of Stay, Extension or Usury Laws .....	89
9.18.	Redemption Notice .....	89
SECTION 10.	TERM LOAN B LOAN EVENTS OF DEFAULT .....	89
SECTION 11.	THE AGENTS .....	91
11.1.	Appointment .....	91
11.2.	Delegation of Duties .....	92
11.3.	Exculpatory Provisions .....	92
11.4.	Reliance by Administrative Agent and Collateral Agent .....	92
11.5.	Notice of Default .....	92
11.6.	Non-Reliance on Agents and Other Lenders .....	93
11.7.	Indemnification .....	94
11.8.	Agent in Its Individual Capacity .....	95
11.9.	Successor Administrative Agent .....	95
11.10.	Successor Collateral Agent .....	95
11.11.	Syndication Agent and Documentation Agent .....	96
11.12.	Confirmation .....	96
SECTION 12.	MISCELLANEOUS .....	96
12.1.	Amendments and Waivers .....	96
12.2.	Notices .....	99
12.3.	No Waiver; Cumulative Remedies .....	100
12.4.	Survival of Representations and Warranties .....	100
12.5.	Payment of Expenses and Taxes .....	100
12.6.	Successors and Assigns; Participations and Assignments .....	101
12.7.	Adjustments; Set-off .....	106
12.8.	Counterparts .....	107
12.9.	Severability .....	107
12.10.	Integration .....	108
12.11.	<b>GOVERNING LAW</b> .....	108
12.12.	Submission To Jurisdiction; Waivers .....	108
12.13.	Acknowledgments .....	108
12.14.	Releases of Guarantees and Liens .....	109
12.15.	Confidentiality .....	109
12.16.	The Facilities .....	109
12.17.	<b>WAIVERS OF JURY TRIAL</b> .....	110
12.18.	References to Second Lien Notes, Second Lien Indenture and Intercreditor Agreement .....	110
12.19.	USA PATRIOT Act .....	111



ANNEX:

A Pricing Grid

SCHEDULES:

- 1.1A Revolving Commitments
- 1.1B Term Loan B Commitments
- 4.4 Consents, Authorizations, Filings and Notices
- 4.15 Subsidiaries
- 4.25 Consents, Authorizations, Filings and Notices
- 4.36 Subsidiaries
- 7.2(e) Existing Indebtedness
- 7.3(f) Existing Liens
- 7.10 Affiliate Transactions

EXHIBITS:

- A Form of Guarantee and Collateral Agreement
- B Form of Revolving Compliance Certificate
- C-1 Form of Revolving Closing Certificate
- C-2 Form of Term Loan B Closing Certificate
- D-1 Form of New Lender Supplement
- D-2 Form of Increased Facility Activation Notice
- E-1 Form of Revolving Assignment and Acceptance
- E-2 Form of Term Loan B Assignment and Acceptance
- F Form of Exemption Certificate
- G Form of Intercompany Subordinated Note
- H-1 Form of Revolving Note
- H-2 Form of Term Loan B Note
- I-1 Form of Prepayment Option Notice
- I-2 Form of Change of Control Prepayment Option Notice

Signature page to the Credit Agreement, dated as of October 6, 2006, among Time Warner Telecom Inc., a Delaware corporation, Time Warner Telecom Holdings Inc., a Delaware corporation, the several banks and other financial institutions or entities from time to time parties thereto as lenders, Wachovia Bank, National Association, as administrative agent and as collateral agent.

COOPERATIEVE CENTRALE RAIFFENISEN-  
BOERENLEENBANK B.A., "RABOBANK  
NEDERLAND" New York Branch

By: /s/ Michael Phelan  
Name: Michael Phelan  
Title: Executive Director

By: /s/ Rebecca Morrow  
Name: Rebecca Morrow  
Title: Executive Director

CITIBANK, N.A.

By: /s/ John Judge  
Name: John Judge

Title: Vice President

BANK OF AMERICA, N.A.

By: /s/ Stephen Phillips

Name: Stephen Phillips

Title: Vice President

UBS LOAN FINANCE LLC

By: /s/ Richard L. Tavrow

Name: Richard L. Tavrow

Title: Director

By: /s/ Irja R. Otsa

Name: Irja R. Otsa

Title: Associate Director

WELLS FARGO BANK, N.A.

By: /s/ George Wick

Name: George Wick

Title: Executive Vice President

LEHMAN BROTHERS COMMERCIAL BANK

By: /s/ George Janes

Name: George Janes

Title: Chief Credit Officer



EXECUTION VERSION

---

GUARANTEE AND COLLATERAL AGREEMENT

made by

TIME WARNER TELECOM INC.,

TIME WARNER TELECOM HOLDINGS INC.

and certain of its Affiliates

in favor of

WACHOVIA BANK, NATIONAL ASSOCIATION,  
as Collateral Agent

as of October 6, 2006

---

## TABLE OF CONTENTS

	Page
Section 1. DEFINED TERMS.....	5
1.1 Definitions .....	5
1.2 Other Definitional Provisions.....	9
1.3 Acts by Collateral Agent or Secured Parties .....	10
1.4 Determination of Amounts of Obligations .....	10
Section 2. GUARANTEE.....	10
2.1 Guarantee.....	10
2.2 Right of Contribution .....	<b>Error! Bookmark not defined.</b>
2.3 No Subrogation.....	11
2.4 Amendments, etc. with respect to the Borrower Obligations.....	11
2.5 Guarantee Absolute and Unconditional.....	12
2.6 Reinstatement .....	12
2.7 Payments .....	13
Section 3. GRANT OF SECURITY INTEREST.....	13
Section 4. REPRESENTATIONS AND WARRANTIES .....	15
4.1 Title; No Other Liens.....	15
4.2 Perfected First Priority Liens.....	15
4.3 Jurisdiction of Organization; Chief Executive Office .....	16
4.4 Pledged Stock .....	16
4.5 Receivables.....	16
4.6 Intellectual Property .....	16
Section 5. COVENANTS.....	17
5.1 Delivery of Instruments, Certificated Securities and Chattel Paper .....	17
5.2 Maintenance of Insurance.....	17
5.3 Payment of Obligations .....	17
5.4 Maintenance of Perfected Security Interest; Further Documentation .....	17
5.5 Changes in Locations, Name, etc .....	18
5.6 Notices.....	18
5.7 Pledged Stock .....	18
5.8 Receivables.....	19
5.9 Intellectual Property .....	19
5.10 Additional Collateral; Additional Subsidiary Guarantors; etc.....	21
Section 6. REMEDIAL PROVISIONS; DISTRIBUTIONS.....	23

6.1 Certain Matters Relating to Receivables .....	23
6.2 Communications with Obligor; Obligor Remains Liable .....	24
6.3 Pledged Stock .....	24
6.4 Proceeds to be Turned Over To Collateral Agent .....	25
6.5 Application of Proceeds .....	25
6.6 Code and Other Remedies .....	27
6.7 Registration Rights .....	27
6.8 Deficiency .....	28
 Section 7. THE COLLATERAL AGENT .....	 28
7.1 General Authority of the Collateral Agent .....	28
7.2 Right to Initiate Judicial Proceedings .....	29
7.3 Right to Appoint a Receiver .....	29
7.4 Remedies Not Exclusive .....	29
7.5 Collateral Agent's Appointment as Attorney-in-Fact, etc .....	30
7.6 Duty of Collateral Agent .....	31
7.7 Execution of Financing Statements .....	32
7.8 Authority of Collateral Agent .....	32
7.9 Exculpatory Provisions .....	32
7.10 Delegation of Duties .....	33
7.11 Reliance by Collateral Agent; etc .....	33
7.12 Resignation and Removal of the Collateral Agent .....	34
7.13 Merger of the Agents .....	34
7.14 Co-Agents; Separate Agents .....	34
7.15 Treatment of Payee or Indorsee by Collateral Agent; Representatives of Secured Parties .....	36
 Section 8. MISCELLANEOUS .....	 36
8.1 Directions and Consents by Collateral Agent .....	36
8.2 Amendments and Waivers .....	36
8.3 Notices .....	36
8.4 No Waiver by Course of Conduct; Cumulative Remedies .....	37
8.5 Enforcement Expenses; Indemnification .....	37
8.6 Successors and Assigns .....	37
8.7 Set-Off .....	38
8.8 Counterparts .....	38
8.9 Severability .....	38
8.10 Section Headings .....	38
8.11 Integration .....	38
8.12 GOVERNING LAW .....	38
8.13 Submission To Jurisdiction; Waivers .....	38
8.14 Acknowledgements .....	39
8.15 Additional Obligor; Releases of Obligor; Real Estate .....	39
8.16 Releases; Termination .....	40
8.17 <b>WAIVER OF JURY TRIAL</b> .....	40
8.18 Incremental Facilities .....	40
8.19 No Action .....	41
8.20 Governmental Approvals .....	41

## SCHEDULES

Schedule 1	Notice Addresses
Schedule 2	Investment Property
Schedule 3	Perfection Matters
Schedule 4	Jurisdictions of Organization and Chief Executive Offices
Schedule 5	Intellectual Property



IN WITNESS WHEREOF, each of the undersigned has caused this Guarantee and Collateral Agreement to be duly executed and delivered as of the date first above written.

TIME WARNER TELECOM HOLDINGS INC.

By: /s/ Tina A. Davis  
Name: Tina A. Davis  
Title: Vice President and Deputy General Counsel

TIME WARNER TELECOM HOLDINGS II LLC  
TIME WARNER TELECOM OF COLORADO LLC  
TIME WARNER TELECOM OF IDAHO LLC  
TIME WARNER TELECOM OF ILLINOIS LLC  
TIME WARNER TELECOM OF THE MID-SOUTH LLC  
TIME WARNER TELECOM OF MINNESOTA LLC  
TIME WARNER TELECOM OF NEVADA LLC  
TIME WARNER TELECOM OF NEW MEXICO LLC  
TIME WARNER TELECOM OF OHIO LLC  
TIME WARNER TELECOM OF OREGON LLC  
TIME WARNER TELECOM OF SOUTH CAROLINA LLC  
TIME WARNER TELECOM OF UTAH LLC  
TIME WARNER TELECOM OF VIRGINIA LLC  
TIME WARNER TELECOM OF WASHINGTON LLC

By: TIME WARNER TELECOM HOLDINGS INC.,  
the sole member of each

By /s/ Tina Davis  
Name: Tina Davis  
Title: Vice President and Deputy General Counsel

TIME WARNER TELECOM INC.

By: /s/ Tina A. Davis  
Name: Tina A. Davis  
Title: Vice President and Deputy General Counsel

TIME WARNER TELECOM OF CALIFORNIA, L.P.  
TIME WARNER TELECOM OF FLORIDA, L.P.  
TIME WARNER TELECOM OF GEORGIA, L.P.  
TIME WARNER TELECOM OF INDIANA, L.P.  
TIME WARNER TELECOM OF NORTH CAROLINA, L.P.  
TIME WARNER TELECOM - NY, L.P.  
TIME WARNER TELECOM OF TEXAS, L.P.  
TIME WARNER TELECOM OF WISCONSIN, L.P.  
TW TELECOM L.P.

By: TIME WARNER TELECOM HOLDINGS INC.,  
the general partner of each

By /s/ Tina Davis  
Name: Tina Davis  
Title: Vice President and Deputy General Counsel